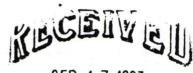
Umetco Minerals Corporation



P.O. BOX 1029 GRAND JUNCTION, COLORADO 81502 **☎** (303) 245-3700

September 16, 1993



SEP 1 7 1993

DIVISION OF OIL, GAS & MINING

Mr. Wayne Hedberg Board of Oil, Gas and Mining c/o State of Utah Department of Natural Resources Division of Oil, Gas and Mining 355 West North Temple 3 Triad Center, Suite 350 Salt Lake City, Utah 84180-1203

Dear Mr. Hedberg and Board Members:

RE: Umetco Minerals Corporation Replacement of Reclamation Bonds for Reclamation Contracts M/037/023 (Calliham), M/037/040 (Velvet) and M/037/006 (Rim-Columbus)

This letter will confirm matters discussed with Mr. Hedberg in our several telephone conversations on September 14 and 15 regarding the replacement of certain Umetco reclamation bonds held by the Division of Oil, Gas and Mining under the Reclamation Contracts described above. As I explained, Umetco intends to replace Sashaard Surety Company's Reclamation Bond Nos. (\$33,700-Calliham), ____ (\$62,535-Velvet) and ____ (\$36,100-Rim-Columbus) with substitute reclamation bonds provided by SAFECO.

You have previously received written notice from Seaboard Surety Company advising that the three reclamation bonds described above will be cancelled effective October 1, 1993. To comply with contract conditions, Umetco is obtaining substitute reclamation bonds from SAFECO which we plan to deliver to you prior to the next Board meeting scheduled for Wednesday, September 22, 1993. The substitute bonds will follow the form you have previously provided Mr. C. K. Dougherty of Union Carbide Corporation, Danbury, CT. Umetco hereby requests the Board's approval of the substitute sureties when received.

Should you have any questions or require additional information, please call me at any time. Thank you for your consideration in this matter.

Yours very truly,

Hillan J. Deniele Milton G. Derrick

cc: C. K. Dougherty

J. F. Frost

R. A. Van Horn